

F & M FINANCIAL CORPORATION

| | CPP Disbursement Date 02/06/2009 | RSSD (Holding Company) 1076619 | Number of Insured Depository Institutions 1 | | |
|---|-------------------------------------|-----------------------------------|---|------|----|
| | | | | | |
| Selected balance and off-balance sheet items | 2011 \$ millions | 2012 \$ millions | %chg from prev | | |
| Assets | \$570 | \$519 | -9.0% | | |
| Loans | \$455 | \$417 | -8.4% | | |
| Construction & development | \$83 | \$68 | -18.2% | | |
| Closed-end 1-4 family residential | \$125 | \$122 | -2.7% | | |
| Home equity | \$70 | \$64 | -8.9% | | |
| Credit card | \$0 | \$0 | | | |
| Other consumer | \$2 | \$3 | 9.2% | | |
| Commercial & Industrial | \$26 | \$23 | -11.7% | | |
| Commercial real estate | \$142 | \$131 | -7.6% | | |
| | | | | | |
| Unused commitments | \$107 | \$118 | 10.2% | | |
| Securitization outstanding principal | \$0 | \$0 | | | |
| Mortgage-backed securities (GSE and private issue) | \$0 | \$0 | | | |
| Asset-backed securities | \$0 | \$0 | | | |
| Other securities | \$22 | \$10 | -54.2% | | |
| Cash & balances due | \$62 | \$61 | -2.2% | | |
| | | | | | |
| Residential mortgage originations | | | | | |
| Closed-end mortgage originated for sale (quarter) | \$11 | \$11 | -7.0% | | |
| Open-end HELOC originated for sale (quarter) | \$0 | \$0 | | | |
| Closed-end mortgage originations sold (quarter) | \$11 | \$11 | 2.2% | | |
| Open-end HELOC originations sold (quarter) | \$0 | \$0 | | | |
| | | | | | |
| Liabilities | \$496 | \$458 | -7.7% | | |
| Deposits | \$435 | \$432 | -0.6% | | |
| Total other borrowings | \$57 | \$21 | -62.6% | | |
| FHLB advances | \$47 | \$19 | -59.6% | | |
| | | | | | |
| Equity | | | | | |
| Equity capital at quarter end | \$74 | \$61 | -17.7% | | |
| Stock sales and transactions with parent holding company (cumulative through calendar year) | \$0 | -\$13 | NA | | |
| | | | | | |
| Performance Ratios | | | | | |
| Tier 1 leverage ratio | 12.7% | 11.7% | -- | | |
| Tier 1 risk based capital ratio | 16.9% | 15.3% | -- | | |
| Total risk based capital ratio | 18.2% | 16.6% | -- | | |
| Return on equity ¹ | 2.8% | 3.1% | -- | | |
| Return on assets ¹ | 0.4% | 0.4% | -- | | |
| Net interest margin ¹ | 4.1% | 4.2% | -- | | |
| Coverage ratio {(ALLL+Alloc transfer risk)/Noncurrent loans}} | 28.6% | 33.5% | -- | | |
| Loss provision to net charge-offs (qtr) | 94.6% | 73.3% | -- | | |
| Net charge-offs to average loans and leases ¹ | 1.9% | 1.9% | -- | | |
| ¹ Quarterly, annualized. | | | | | |
| | | | | | |
| | Noncurrent Loans | | Gross Charge-Offs | | |
| Asset Quality (% of Total Loan Type) | 2011 | 2012 | 2011 | 2012 | |
| Construction & development | 30.9% | 17.6% | 1.9% | 1.4% | -- |
| Closed-end 1-4 family residential | 3.5% | 4.5% | 0.2% | 0.1% | -- |
| Home equity | 2.6% | 3.3% | 0.2% | 0.6% | -- |
| Credit card | 0.0% | 0.0% | 0.0% | 0.0% | -- |
| Other consumer | 0.2% | 0.2% | 0.9% | 0.6% | -- |
| Commercial & Industrial | 0.4% | 0.5% | 0.3% | 1.0% | -- |
| Commercial real estate | 3.2% | 6.5% | 0.1% | 0.2% | -- |
| Total loans | 8.1% | 6.8% | 0.5% | 0.5% | -- |